



7020-02

INTERNATIONAL TRADE COMMISSION

Investigation No. 337-TA-1047

Certain Semiconductor Devices and Consumer Audiovisual Products Containing the Same

Commission's Final Determination of No Violation of Section 337; Termination of the Investigation

AGENCY: U.S. International Trade Commission.

ACTION: Notice.

SUMMARY: Notice is hereby given that the U.S. International Trade Commission has found no violation of section 337 of the Tariff Act of 1930, as amended, by respondents Sigma Designs, Inc. and Vizio, Inc. The investigation is terminated.

FOR FURTHER INFORMATION CONTACT: Robert Needham, Office of the General Counsel, U.S. International Trade Commission, 500 E Street, SW, Washington, D.C. 20436, telephone (202) 708-5468. Copies of non-confidential documents filed in connection with this investigation are or will be available for inspection during official business hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary, U.S. International Trade Commission, 500 E Street, SW, Washington, D.C. 20436, telephone (202) 205-2000. General information concerning the Commission may also be obtained by accessing its Internet server (<https://www.usitc.gov>). The public record for this investigation may be viewed on the Commission's electronic docket (EDIS) at <https://edis.usitc.gov>. Hearing-impaired persons are advised that information on this matter can be obtained by contacting the Commission's TDD terminal on (202) 205-1810.

SUPPLEMENTARY INFORMATION: The Commission instituted this investigation

on April 12, 2017, based on a complaint filed by Broadcom Corporation (“Broadcom”) of Irvine, California. 82 FR 17688. The complaint alleges violations of section 337 of the Tariff Act of 1930, as amended, 19 U.S.C. 1337 (“section 337”), in the importation into the United States, the sale for importation, and the sale within the United States after importation of certain semiconductor devices and consumer audiovisual products containing the same that infringe U.S. Patent Nos. 7,310,104 (“the ’104 patent”); 7,342,967 (“the ’967 patent”); 7,590,059 (“the ’059 patent”); 8,068,171 (“the ’171 patent”); and 8,284,844 (“the ’844 patent”). *Id.* The Commission’s notice of investigation named as respondents MediaTek Inc. of Hsinchu City, Taiwan, MediaTek USA Inc. of San Jose, California, and MStar Semiconductor Inc. of Chupei Hsinchu Hsien, Taiwan (together, “MediaTek”); Sigma Designs, Inc. of Fremont, California (“Sigma”); LG Electronics Inc. of Seoul, Republic of Korea and LG Electronics U.S.A., Inc. of Englewood Cliffs, New Jersey (together, “LG”); Funai Electric Company, Ltd., of Osaka, Japan, Funai Corporation, Inc. of Rutherford, New Jersey, and P&F USA, Inc. of Alpharetta, Georgia (together, “Funai”); and Vizio, Inc., of Irvine, California (“Vizio”). *Id.* The Office of Unfair Import Investigations is not participating in this investigation. *Id.*

Several parties were terminated from the investigation based on settlement. Specifically, the Commission terminated the investigation with respect to Funai, Order No. 31 (Nov. 7, 2017), *not reviewed* Notice (Dec. 12, 2017); MediaTek, Order No. 35 (Nov. 29, 2017), *not reviewed* Notice (Dec. 19, 2017); and LG, Order No. 42 (Apr. 9, 2018), *not reviewed* Notice (May 4, 2018). Accordingly, only respondents Sigma and Vizio (together, “Respondents”) remained in the investigation at the time of the final ID.

The Commission also terminated two patents and several claims of the remaining patents based on Broadcom's partial withdrawal of the complaint. Specifically, the Commission terminated the investigation with respect to the '967 patent, the '171 patent, claims 21-30 of the '059 patent, and claim 14 of the '844 patent. Order No. 24 (Oct. 10, 2017), *not reviewed* Notice (Oct. 24, 2017). Broadcom also elected to withdraw claims 5 and 11-13 of the '844 patent in its post-hearing brief. ID at 7. Accordingly, at the time of the final ID, the only remaining claims were claims 1, 10, 11, 16, 17, and 22 of the '104 patent; claims 1-4, 6-10, of the '844 patent; and claims 11-20 of the '059 patent.

On May 11, 2018, the ALJ issued a final ID finding no violation of section 337. Specifically, he found that Respondents did not infringe any claim, that the asserted claims of the '844 patent are invalid, and that Broadcom did not satisfy the technical prong of the domestic industry requirement for the '104 patent. On May 29, 2018, Broadcom and Respondents each petitioned for review of the ID. On June 6, 2018, the parties opposed each other's petitions.

On July 17, 2018, the Commission determined to review the following issues: (1) the construction of "a processor adapted to control a decoding process" in claim 1 of the '844 patent, as well as related issues of infringement, invalidity, and the technical prong of the domestic industry requirement with respect to the limitation; (2) the finding that the prior art reference Fandrianto anticipates the limitation "adapted to perform a decoding function on a digital media stream" of claim 1 of the '844 patent; (3) the construction of "the blended graphics image" in claim 1 of the '104 patent, as well as related issues of infringement, invalidity, and the technical prong of the domestic industry requirement with respect to the limitation; (4) the construction of "blend the blended

graphics image with the video image using the alpha values and/or at least one value derived from the alpha values” limitation in claim 1 of the ’104 patent, as well as related issues of infringement, invalidity, and the technical prong of the domestic industry requirement with respect to the limitation; and (5) the finding that claims 1 and 10 of the ’104 patent are invalid as obvious if certain claim constructions are modified. The Commission determined not to review the ID’s finding of no violation with respect to the ’059 patent.

Having examined the record of this investigation, including the ALJ’s final ID, the petitions, responses, and other submissions from the parties and the public, the Commission has determined that Broadcom has not proven a violation of section 337 by Sigma and Vizio. Specifically, the Commission has determined to modify the ID’s construction of “a processor adapted to control a decoding process,” and, under the modified construction, finds that the limitation is satisfied for the technical prong of the domestic industry requirement and invalidity, but is not satisfied for infringement. The Commission also has determined to affirm under modified reasoning that Fandrianto satisfies the limitation “adapted to perform a decoding function on a digital media stream.” The Commission has additionally determined to modify the ID’s construction of “the blended graphics image,” and, under the modified construction, finds that the limitation is satisfied for infringement and the technical prong. The Commission has further determined to affirm under modified reasoning the ID’s construction of “blend the blended graphic image with the video image using the alpha values and/or at least one value derived from the alpha values,” and affirms the ID’s findings on infringement, invalidity, and the technical prong with respect to the limitation. Finally, the

Commission has determined to take no position on the ID's finding that claims 1 and 10 of the '104 patent are obvious.

Accordingly, the Commission has determined that Broadcom has failed to show a violation of section 337 with respect to both the '844 and '104 patents. For the '844 patent, the Commission finds that Broadcom failed to establish infringement, but did satisfy the technical prong of the domestic industry requirement. The Commission further finds that the Respondents showed by clear and convincing evidence that claims 1-10 are invalid as anticipated. For the '104 patent, the Commission finds that Broadcom failed to show both infringement and the satisfaction of the technical prong of the domestic industry requirement. The Commission's determinations are explained more fully in the accompanying Opinion. All other findings in the ID under review that are consistent with the Commission's determinations are affirmed.

The authority for the Commission's determination is contained in section 337 of the Tariff Act of 1930, as amended (19 U.S.C. 1337), and in part 210 of the Commission's Rules of Practice and Procedure (19 CFR part 210).

By order of the Commission.

Lisa Barton
Secretary to the Commission

Issued: September 19, 2018

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